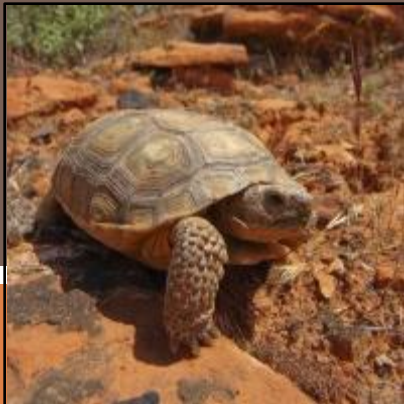


UPDATED REPORT  
ON OPTIONS AVAILABLE  
to acquire  
THE PRIVATE LANDS  
within the  
RED CLIFFS DESERT RESERVE



Prepared by Brennan Holdings, LLC

# Statements from May 28, 2013 HCAC Meeting

Emile Orton-Palmer: “When an HCP is renewed the FWS uses the same set of criteria, rules and policies for instituting an HCP”

Larry Crist: The USFWS has been working on a review of the current plan which will help identify deficiencies and what needs to be resolved. This analysis will help to make sure the HCP has been working properly and that obligations have or will be met.



Prepared by Brennan Holdings, LLC

# Issuance Criteria for Incidental Take Permits

The USFWS HCP Handbook states the following:

Section 7.B.3: The applicant will ensure that adequate funding for the HCP and procedures to deal with unforeseen circumstances will be provided.

Section 7.B.6: Some HCPs may involve interests other than the applicant or permittee. In these cases, the applicant must have specific authority over the other parties affected by the HCP and be willing to exercise that authority, or must secure commitments from them that the terms of the HCP will be upheld.



Prepared by Brennan Holdings, LLC

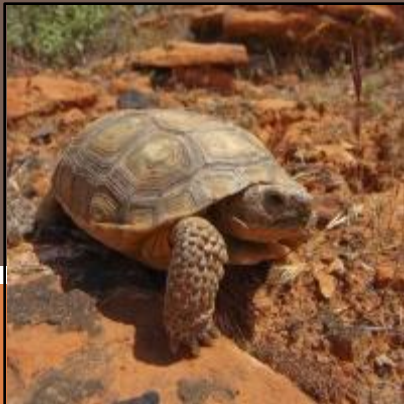
# PURPOSE OF THIS PRESENTATION

The current HCP Implementation Plan requires the following:

*"The County will report on acquisition activities in quarterly and annual reports. USFWS will annually evaluate the level of progress toward total Reserve acquisition. Five years following permit issuance, USFWS will make a determination whether adequate progress toward Reserve acquisition has been made. If the level of progress is determined to be inadequate, then USFWS will enter into discussions with the County and the HCAC to consider Reserve acquisition alternatives".*

It is Brennan Holdings, LLC's position that progress towards the acquisition of Brennan Holdings, LLC, private lands within in the Reserve has proven to be inadequate and respectfully requests:

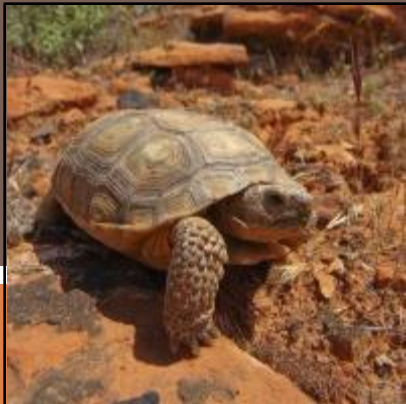
The USFWS, Washington County and the HCAC use this report as the basis to consider "Reserve acquisition alternatives".



Prepared by Brennan Holdings, LLC

# FUNDAMENTAL QUESTION TO BE ADDRESSED:

1. Are the Private Lands within the Reserve critical to the Reserves ability to provide the required mitigation under the Section 10 Incidental Take Permit?
2. If the Private Lands are needed in the Reserve, are the Private Land Owners willing Sellers?
3. If the Private Lands are needed for the Reserve, are the Stakeholders of the Washington County HCP willing buyers?
4. If the Private Lands are required for the viability of the Reserve and if there is a willing Seller and a willing Buyer, then what options are available?



Prepared by Brennan Holdings, LLC

## Private Land within the Red Cliffs Reserve

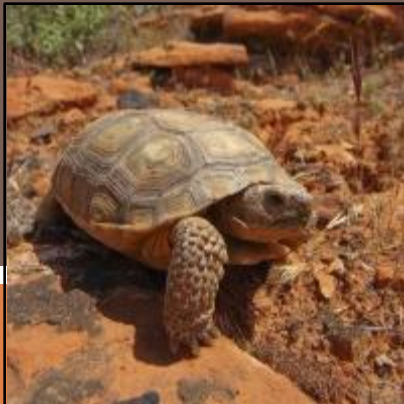
Brennan Holdings, LLC	787.99 Acres
James Doyle	274.17 Acres
HIS Family Matters, LC	143.91 Acres
Total	1,206.07 Acres



Prepared by Brennan Holdings, LLC

## Options Currently Available

- Land Exchanges
- Land and Water Conservation Funds
- US Fish and Wildlife Funds
- Conservation Easements
- Private Land Owner Donations
- Private Land Owners Development within the Reserve
- Local Government Impact Fee or Property Tax
- Congressional Appropriation



Prepared by Brennan Holdings, LLC

## Land Exchange Options Considered

Brennan Holdings has looked at BLM properties throughout the State of Utah that had development potential and related land values.

Unfortunately SITLA had previously completed a similar process and has already exchanged most of the suitable BLM lands

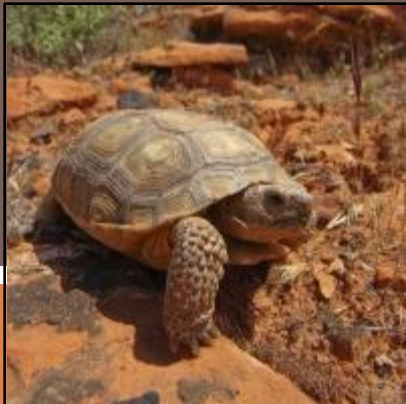


Prepared by Brennan Holdings, LLC



# Remaining BLM Lands Studied for Exchange

Parcel	Area	Land Value	Estimated Cost to Mitigate
Sand Hollow Parcel	1,210.00 Acres	\$10,890,000 to \$14,520,000	\$1,200,000 to \$2,693,250
Leeds Bench Parcel	890.00 Acres	\$1,780,000 to \$2,230,000	\$2,000,000 to \$3,770,550
Long Valley Parcel	630.00 Acres	\$6,600,000	\$150,000 to \$970,000
Warner Valley Parcel	610.00 Acres	\$1,500,000 to \$1,900,000	Eliminated
Bloomington Parcel	0.78 Acre	\$250,000 to \$300,000	\$0
Upper Leeds Parcel	115.00 Acres	No Appraisal Completed	Sites not able to be Mitigated
Toquerville Bench Parcel	240.00 Acres	\$480,000 to \$600,000	\$175,000 to \$359,100
<b>Totals</b>	<b>3,935.78 Acres</b>		



Prepared by Brennan Holdings, LLC

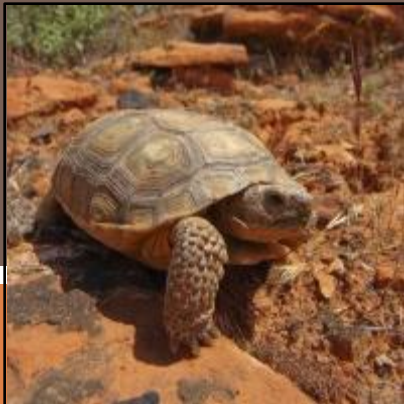
# Remaining BLM Lands Feasible for Exchange

Option	Parcel	Area	Land Value	Estimated Cost to Mitigate	Estimated Land Acquired
LE-1	Long Valley Parcel	600 Acres	\$6,600,000	\$150,000 to \$970,000	85 Acres
LE-2A	Sand Hollow Parcel	1,200 Acres	\$10,890,000 to \$14,520,000	\$1,200,000 to \$2,693,250	135 to 180 Acres
LE-2B	Sand Hollow Parcel	450 Acres	\$4,050,000 to \$5,400,000	\$150,000 to \$300,000**	50 to 70 Acres
LE-3	Lower Sand Hollow	40 Acres*	\$800,000 to \$1,000,000*	Unknown	10 to 12 Acres
LE-4	Leeds Bench	TBD*	TBD	TBD	TBD
	Totals	1040 Acres to 2090 Acres	\$11,950,000 to \$22,745,000	\$350,000 to \$3,813,250	281 Acres to 350 Acres***

\* Actual Acreage will be determined by SHPO/BLM review.

\*\* Estimated costs require additional review.

\*\*\* **A significant donation of Land by Brennan Holdings will be made if an agreement can be finalized.**

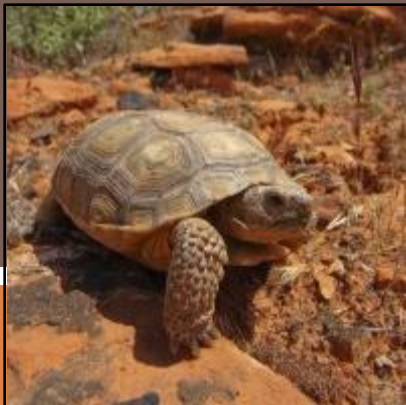


Prepared by Brennan Holdings, LLC

# Land and Water Conservation Funds

Over the past 20 years the Washington County HCP has not received funds at a rate and in an amount that would allow it to purchase the remaining private lands within the Red Cliffs Desert Reserve. The increased value of these lands has exceeded the amount of Federal Funds being allocated to the Washington County HCP. Mr. Michael Patrick with The Trust for Public Lands has prepared a letter which outlines the current availability of these funds to the HCP. Mr. Patrick's letter states that the Washington County HCP did not receive a high enough priority to receive funds in 2014 and that the Washington County HCP did not even make the list for 2015. Mr. Patrick also reported that additional funding is not likely available to the Washington County HCP, due to the lack of a comprehensive plan to acquire these private parcels.

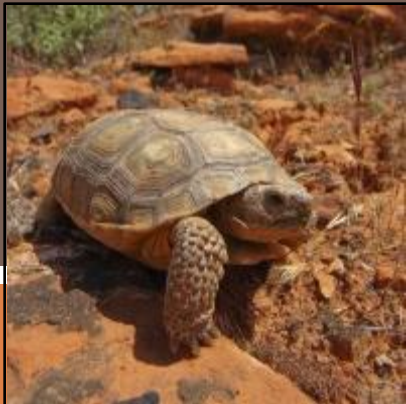
In summary, the past level of Land and Water Conservation Funding has not been sufficient to acquire the remaining private lands and that the future availability of funds is non-existent. This acquisition strategy is not currently available for consideration. If a comprehensive plan was implemented, Mr. Patrick believes that future funds may become available.



Prepared by Brennan Holdings, LLC

# Conservation Easements

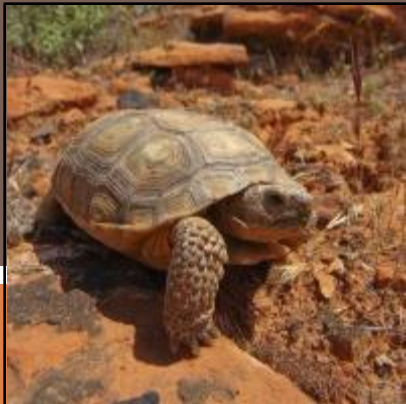
The final acquisition of the private lands in the Reserve is still the focus of this report, however, a Conservation Easement may prove to be a means to secure these lands for a short period of time, which would allow the land exchanges or other processes to be completed. The Conservation Easements would not be offered without compensation and the terms and conditions of these easements will be subject to the final acquisition plan. These easements may be used to secure the lands ahead of the renewal of the Incidental Take Permit and provide a transition period to resolve the final acquisition agreements. Conservation Easements are typically valued at the value lost by granting an easement which in this case is 100% of the land's value, therefore a Conservation Easement would cost the same as purchasing the land outright.



Prepared by Brennan Holdings, LLC

# Brennan Land Donations

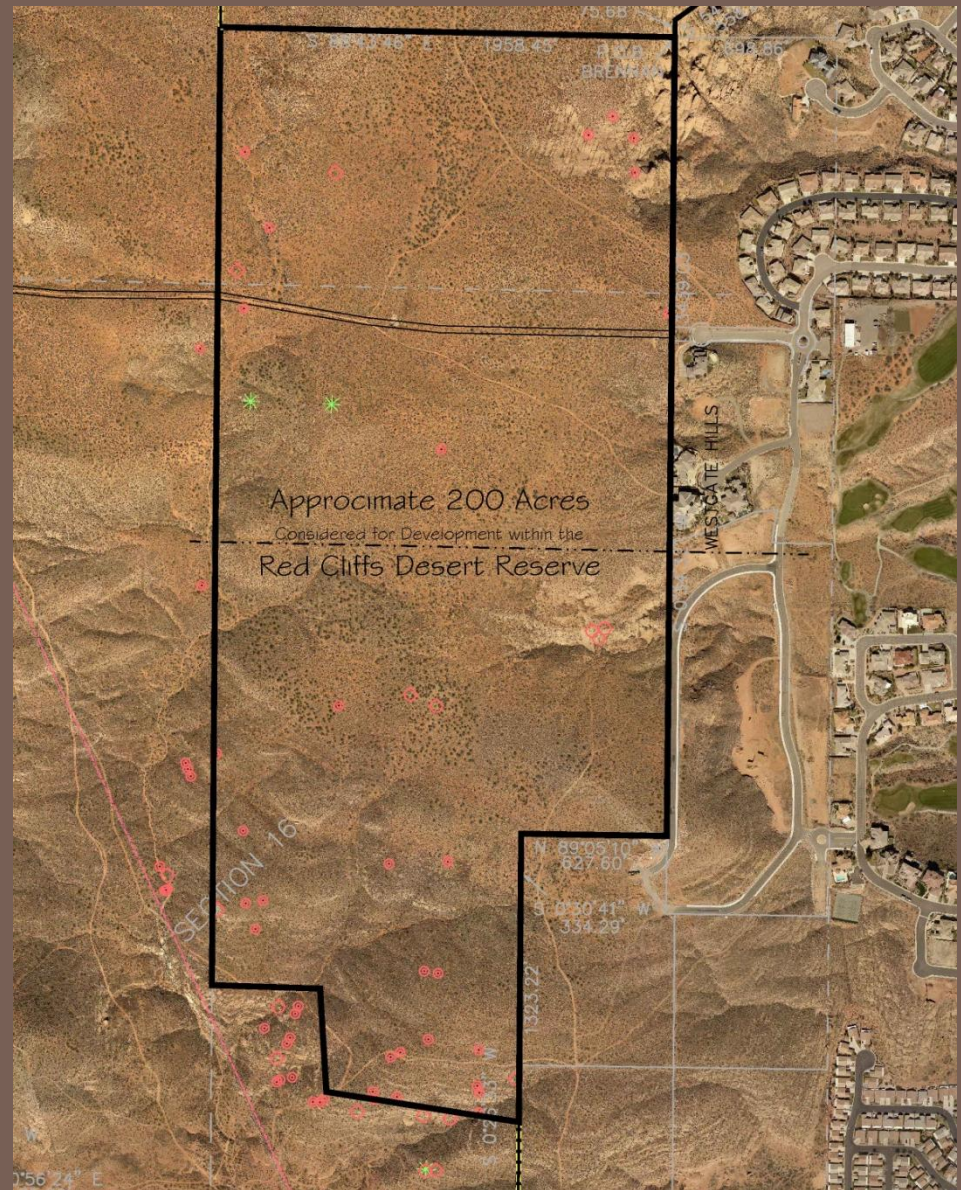
Brennan Holdings, LLC has consistently offered to donate a portion of its lands under the terms of a comprehensive plan to acquire all its property. A donation of 1/3 to 1/2 of the total Brennan Holdings lands may be possible, depending on the final acquisition plan adopted. This offer to donate land is based on a cooperative effort between Brennan Holdings and the Washington County HCP. These cooperative efforts must result in a comprehensive plan to resolve these private lands in a fair and equitable manner and must include the engaged support of all stakeholders in the Washington County HCP. Failure to reach a comprehensive agreement may result in the withdraw of any donation offers previously discussed with Brennan Holdings, LLC.



Prepared by Brennan Holdings, LLC



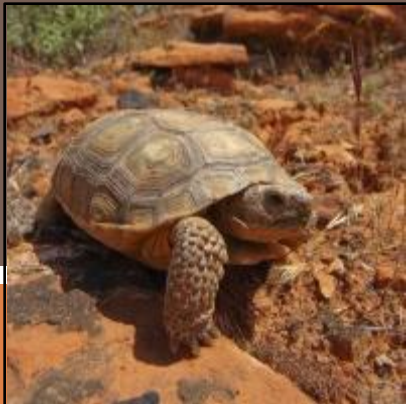
# Development. of Private Land within The Reserve



Prepared by Brennan Holdings, LLC

# Local Government Fee or Tax

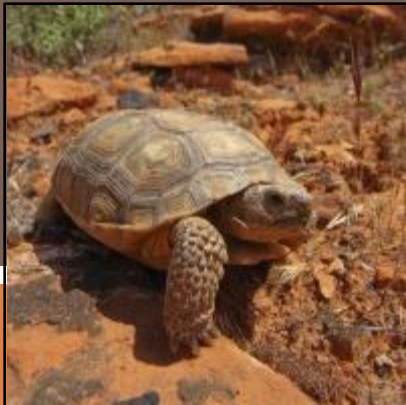
The Washington County HCP is unique as it pertains to other HCP's, in that there is no specific requirement for Washington County or the related Cities in the Washington County HCP to contribute to the acquisition of lands in the Red Cliffs Desert Reserve. It has been stated on numerous occasions that the majority, if not all, of the subsequent HCP's approved across the Country have included a local funding requirement. This issue has been a heated source of much debate and currently Washington County has not been willing to consider this as an option.



Prepared by Brennan Holdings, LLC

# Congressional Appropriations

There has been numerous discussions with members of the Utah Delegation and a clear consensus has been received that no "earmark" bill of this type has any chance of success and to-date no member of the Utah Delegation has been willing to discuss sponsoring any type of legislation to resolve this matter. Due to the responses received and the current state of affairs in Washington DC, Brennan Holdings has no interest in pursuing a Congressional Appropriation as a viable option, unless it can be demonstrated by the stakeholders that this option has the support of the Utah Congressional Delegation and in the Delegations collective opinion an appropriation has a reasonable chance of approval.



Prepared by Brennan Holdings, LLC



# Summary

Option	Parcel	Area	Land Value	Estimated Brennan Land Acquired**
LE-1	Long Valley Parcel	600 Acres	\$6,600,000	85 Acres
LE-2A	Sand Hollow Parcel	1,200 Acres	\$10,890,000 to \$14,520,000	135 to 180 Acres
LE-2B	Sand Hollow Parcel	450 Acres	\$4,050,000 to \$5,400,000	50 to 70 Acres
LE-3	Lower Sand Hollow	40 Acres*	\$800,000 to \$1,000,000*	10 to 12 Acres
LE-4	Leeds Bench	TBD	TBD	TBD
BD	Brennan Donation	TBD	TBD	TBD
RL	Develop a portion of Brennan Lands in Reserve	200 Acres	\$16,000,000	200 Acres
LFT	Local Fee or Tax	TBD	TBD	TBD
CA	Congressional Bill	0	0	0
LWC	Land and Conservation Funds	0	0	0
	Totals	TBD	TBD	TBD

\* Actual Acreage will be determined by SHPO/BLM review.

\*\* Any land exchanged will include a donation by Brennan Holdings

**Note: Options LE-2A and LE-2B are either/or options and should not be added together**



Prepared by Brennan Holdings, LLC

## Conclusion

Brennan Holdings is willing to accept any or any combination of the options available to acquire its land in the Red Cliffs Desert Reserve. It is now time for the stakeholders of the Washington County HCP to decide if they intend to acquire these lands and if so what options and methods will be offered to purchase these properties.



Prepared by Brennan Holdings, LLC